

Handbook for Connecticut

TAX *collectors*

by

EDWARD T. DOWLING

Institute of Public Service
Office of Public Service and Applied Research
Division of Extended and Continuing Education
The University of Connecticut
1989

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Preface

This fourth revision of the Handbook for Connecticut Tax Collectors incorporates a number of new features. First, the office of tax collector or collector of revenue is examined and discussed in the context of municipal government in Connecticut. Second, materials on property tax administration and assessment have been added to increase understanding of the role of the assessor in the administration of Connecticut's tax laws. Finally, useful appended materials have been included for ready reference by collection personnel.

Close cooperation between the Institute of Public Service represented by Extension Professor Edward T. Dowling, the Tax Collector's Association, the Certified Connecticut Municipal Collector Committee, and the Office of Policy and Management was necessary to complete this publication. Professor Dowling acknowledges contributions by specific individuals from these organizations in his Introduction.

The Institute would be interested in comments from users of this Handbook regarding suggestions for the incorporation of additional materials. The Institute assumes responsibility for any errors and will be grateful to those readers who call them to our attention.

Dr. John F. Azzaretto
Director, Institute of Public Service

March, 1989

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Introduction

This edition of the Handbook for Connecticut Tax Collectors is the fourth revision of the Handbook which was first published in 1952.

The goal of this edition is to incorporate as much salient information regarding the tax collection function as possible.

In 1978, the General Assembly passed Public Act 455 (S. 12-130a) which established the Certified Connecticut Municipal Collector designation. This legislation has been a major stimulus to local collection personnel to complete the training program and examinations required for certification by the Office of Policy and Management. Two hundred-fifty persons from 120 municipalities and fire districts have been certified as a result. In turn, the availability of certified personnel has stimulated increased mobility among communities as certified collectors have sought and won positions in larger communities and in the private sector as well.

At the operational level, the function has been impacted by charter change and technology as more collectors have become collectors of revenue and as additional revenue categories have joined the traditional collection categories of property taxes on residential property, personal property, and motor vehicles. Additionally, most offices have been affected by the microcomputer revolution as more and more communities convert manual systems to automated ones. At the same time, the period has been marked by active legislative sessions which have continuously modified assessment and collection statutes.

Material for this edition was elicited and received from many collectors throughout the state. Acknowledgment and special thanks are extended to: Stoddard Smith, C.C.M.C., Tax Collector Emeritus, Guilford and John J. McKeon, C.C.M.C., Tax Collector Emeritus, Windsor; a number of C.C.M.C. I Course Instructors including Donald E. Holley, C.C.M.C., Collector of Revenue, Cheshire; Nancy L. Dytko, C.C.M.C., Collector of Revenue, Groton; Marie Durkin, C.C.M.C., Tax

Collector, East Hampton; Marie Somma, C.C.M.C., Tax Collector, Seymour; Anthony Brasacchio, C.C.M.C., Collector of Revenue, West Hartford; Barbara A. Kohls, C.C.M.C., Tax Collector, Guilford; officials from the Office of Policy and Management including Donald W. Zimbouski, Chief, Municipal Division; Carol A. Tallon, C.C.M.C., Municipal Taxation Supervisor; and Marcia W. Standish, C.C.M.A./C.C.M.C., Municipal Assessment Advisor.

I should like to note to the reader that this Handbook does not purport to be a substitute for the General Statutes in its treatment of the law governing the collection of taxes on real and personal property and motor vehicles in Connecticut as well as all other matters affecting the office of the tax collector. Coverage of these laws is intended to summarize the essential aspects of particular provisions and is not intended to be used as the definitive reference for such situations. In all cases, collectors should have direct access to the General Statutes.

Edward T. Dowling
Extension Professor and
Advisor, Certified Connecticut
Municipal Collector Committee

March, 1989

Glossary of Terms Used in Tax Collection Administration

Normally, a Glossary of Terms in common usage by various specializations is placed as appended material at the end of a publication.

We have chosen, however, to highlight this Glossary relating to municipal tax collection by placing it at the beginning of the Handbook. Our intention is to draw attention to the specialized vocabulary of the tax collection function in Connecticut and to suggest that mastery of this special language of collectors is a prerequisite to understanding the duties and responsibilities associated with the municipal tax collection function itself.

Glossary of Terms

1. **Abatement:**
to decrease in amount or value; the process of reducing or eliminating taxes which would normally be due and payable.
2. **Abstract:**
a book and format prescribed by the Office of Policy and Management which specifies the different kinds of taxable property. Assessors are required to follow this format in developing the Grand List of all taxable property and its valuation.
3. **Ad Valorem:**
according to value; the property tax is an ad valorem tax because it is measured by value - exchange value - or in the statutes "fair market" value.
4. **Alias Tax Warrant:**
an instrument of collection in which the collector authorizes any sheriff or constable to collect taxes as specified in the warrant.
5. **Appropriating Body:**
that municipal body which approves the budget, determines due date and installments of tax; also called "legislative body."
6. **Assessment/Assessed Value:**
the amount of value placed by the assessor on real or personal property. Under Connecticut law assessed value of property must be its fair market value, unless the property is classified as farm, forest, or open space land.
7. **Assessment Ratio:**
the percentage applied to an assessment of real property; simply the relationship (expressed as a percentage) of the assessment to fair market value. Connecticut has adopted a uniform ratio of seventy percent (70%) effective with the municipality's next revaluation, required by 1990.
8. **Budget-Making Authority:**
that municipal body which prepares yearly budget and presents same to the legislative body; also calculates mill rate. May be a Board of Finance in Selectmen-Town Meeting form of government or Mayor or Manager in Mayor-Council and Council-Manager forms.
9. **Bulk Transfer:**
this is an expression associated with the Uniform Commercial Code which relates to the requirement that any individual, partnership or corporation selling a business must notify all creditors including the tax collector of the impending sale by registered mail. If the tax collector is not notified and the sale is consummated, the tax collector can demand payment by the purchaser.
10. **Certificate of Error**
a.k.a. Certificate of Correction and Certificate of Change:
an administrative procedure in which the assessor may correct clerical errors or omissions at any time and submit them to the tax collector (S.12-60). The assessor may also, at any time prior to the payment of the tax or within one year after the tax was paid, issue a certificate of correction

removing tangible personal property from a list on which it was entered in error, or adding tangible personal property to a list from which it was omitted.

11. **Certificate of Occupancy-Pro-Ration Procedure:**
any new real estate construction completed after the assessment date is liable for taxes from the date of the use of the newly contracted property or the date of the issuance of the Certificate of Occupancy for that property, whichever is earlier. The building official must notify the assessor, in writing, within ten days of the issuance of the certificate of occupancy. The assessor determines a pro-rated assessment predicated on the calendar and notifies the tax collector who issues the bill.
12. **Chief Administrative Body:**
the official(s) who administers the affairs of the town; i.e., the first selectman, mayor, town manager.
13. **Delinquent:**
a debt on which payment is in arrears; i.e., a tax bill is delinquent when it has not been paid by August 1, or has exceeded the statutory grace period.
14. **Demand Notice:**
request for payment when taxpayer fails to pay. Must make personal demand on taxpayer or deposit written demand, postage prepaid, addressed to person at last known place of abode.
15. **Dissolution Notice:**
a legal notice indicating that a corporation is being dissolved and notifying the tax collector to that effect.
16. **Exemption:**
the Connecticut General Statutes provide numerous examples of property - real and personal - which is free, in whole or part, from property taxation. Additionally, the statutes also provide that various categories of citizens are exempt from taxation, in whole or part; i.e., veterans, elderly, disabled, farmers, businessmen, etc.
17. **Foreclosure:**
a legal action initiated by a tax collector against real estate on which taxes are in arrears. This action is usually handled by the town attorney.
18. **Inchoate Lien:**
unrecorded lien which exists from assessment date until one year after tax comes due or until replaced by recorded lien which ever comes first.
19. **Jeopardy Collection:**
a situation in which the tax collector perceives circumstances which may jeopardize or threaten the collection of certain taxes. Upon this belief the collector may act to collect at once using any one or more of the methods provided.
20. **Legislative Body:**
as applied to unconsolidated towns, means the town meeting; as applied to cities and consolidated towns and cities, means the board of aldermen, council or other body charged with the duty of making annual appropriations; as applied to boroughs and consolidated towns and boroughs, means the board of burgesses; as applied to all other districts and associations, means the district committee or association committee or other body charged with the duty of making annual appropriations; also called "Appropriating Body."
21. **Lien:**
a charge upon real or personal property for the satisfaction of some debt or duty ordinarily arising by operation of law. Tax liens are superior to mortgage liens, and are independent of demand for, or attempt to collect the tax.
22. **Mill:**
a unit of monetary measure equal to 1/1000 of a dollar.
23. **Mill Rate (tax rate):**
a number determined by dividing the grand levy (amount of revenue required) by the grand list (total assessed value of all taxable property). Rate is then applied to each taxpayer's taxable property.
24. **Municipality:**
the Connecticut General Statutes for property tax purposes define (municipality) to include each town,

consolidated town and city, consolidated town and borough, city, borough, school district, fire district, fire and sewer district, sewer district, lighting district and improvement association and each municipal organization and taxing districts not previously mentioned. More generally, a political unit of local self-government.

33. Uniform Fiscal Year:

July 1 through June 30; taxes are based on the Grand List of preceding October 1. All Connecticut municipalities must be on the uniform Fiscal Year by 1990.

25. Put-On:

adding unpaid motor vehicle account to Connecticut Department of Motor Vehicles delinquency list.

26. Rate Book:

this expression has been given to the listing of taxes due from each taxpayer.

27. Rate-Maker:

person or board authorized to prepare rate bill.

28. Refund:

return of monies erroneously collected or overpaid.

29. Suspense Book:

the name of a "book" required to be kept by all municipalities in which the collector records real and personal property taxes which are deemed uncollectible and the reason why. Items transferred to suspense are removed from consideration as assets of the town but are not abated as a tax liability of the person against whom it was levied.

30. Take-Off:

removal of paid up motor vehicle account from Connecticut Department of Motor Vehicle's delinquency list.

31. Tax:

each property tax or installment as increased by interest, penalties, fees and charges.

32. Tax Warrant:

a legal instrument issued by the governing body of the municipality which empowers the collector to demand and collect payment of taxes as set in the rate book for the year concerned.

CHAPTER II

The Office of Tax Collector: An Overview

As we approach the task of describing the duties and responsibilities of the office of tax collector in Connecticut's local governments, it is appropriate to examine the position in its contemporary context. State statutes specify the essential legal requirements and responsibilities of the position but they do not "tell the whole story."

For the collector may be elected or appointed; may be in a very small town or special district or in a community over 50,000 population; may be in a rich community with few financially troubled citizens or an urban community with real property abandonments and more financially troubled citizens; may be organized into a department of finance on a full time basis or be a part-time official. All of these circumstances - - among others - - affect the office.

In order to take into account some of these circumstances, we will examine the office briefly from the point of view of the collector as administrator, the collector as an appointed or elected official, and the collector as an official controlled by the statutes.

Collector as Administrator

The collector is an administrator in that she/he organizes, directs, and coordinates the collection activities of the municipality. The collector plans, organizes, directs and usually participates in the application of collection procedures in conformity with applicable provisions of law, charter, ordinances, and established policy. She/he also prepares or directs the preparation of reports, records, or statistical surveys as needed or required. Additionally, she/he participates in the training of personnel in the methods and techniques of revenue collections, office procedures, and public relations. Tax collectors also review work in progress and evaluate the performance of office personnel as well as conferring with Municipal, State, and Federal officials on matters relevant to revenue collection.

Thus, the collector is responsible for running an office with concern for the bottom line - the collection rate; for case management; for accuracy and accounts in balance; for the security of the office and its personnel; and for the quality of the personal contact with taxpayers. Collectors must do these things, however, within the context of a city or governmental organization.

In Appendices A and C, you will find a monthly calendar of operational requirements, as well as a summary of detailed administrative procedures used in some communities for daily operations. The following excerpt illustrates the diversity of daily requirements and the difficulty of administering a tax office:

The work in the Tax Office varies from day to day. Just when you think you are getting caught up and there won't be anything to do, is just when you have a lot of people walk in one after another paying motor vehicle taxes to register their cars. Or the telephone never stops ringing, or there's the sale of property closing tomorrow and the owners are four years behind on their taxes and they need an update of all taxes and interest due now. Actually, the collecting of taxes during July and January is a very small part of the work load. A job which cannot be measured in time is the collection of delinquent accounts. This is something that can't even be put down on paper. When time allows, I am constantly working in this area. Writing letters, making telephone calls, arranging meetings with these people to discuss payment plans, and discussing foreclosure or tax sales with Town Council.¹

¹Written comments on the office submitted by Barbara Kohls, C.C.M.C., Tax Collector, Guilford and President, Tax Collectors Association of Connecticut.

Collector: Elected or Appointed?

As we examine the office of tax collector in Connecticut local government, it is appropriate to discuss the question of whether the position should be appointed or elected.

First, the facts are that 107 tax collectors are elected, 61 are appointed and one is under contract. Full time tax collectors function in 118 municipalities with part-timers in the remaining 50. Thus, even with all the changes in local government structure, general reduction in the number of local officials elected, and the increased complexity of most of the functions of local government, we still have a 2:1 ratio of elected to appointed collectors.

The traditional and historic pattern is the elected Tax Collector. Many incumbents have served their communities for their entire careers. Some of the long termers are endorsed by both political parties. Most would agree, however, that the position is not a policy making position but rather an administrative one in which the State Statutes are controlling. Therefore, it need not be elective except that it "always has been."

Communities which have converted to full time, appointed tax collection usually have done so for the following reasons:

1. Part of a new charter which bases appointed vs. elected officials on whether or not the position is policy making or administrative with the policies being state laws and local ordinances.
2. Recognition that the position should be filled on a professional basis with persons knowledgeable in business/public administration, supervision, local/state government, and related matters.
3. Recognition that the position is important to the effective administration of Connecticut's property tax laws and that these laws are becoming more difficult and complex to administer with every session of the General Assembly.

4. Recognition that the volume of work requires full time service and the best way to assure full time, quality service over time is to develop full time staff capability within the office.

Since questions of elected/appointed collections are frequently timely topics in communities, the following summary of the arguments pro/con regarding this issue is offered in Table I.

TABLE I

Summary of Arguments Regarding Elected vs. Appointed Status

Elected	Appointed
<p>PRO</p> <ol style="list-style-type: none"> 1. Traditional, historic - "always was, always will be" 2. Jacksonian tradition - part-time "any citizen can do it" 3. Better service to the public 4. Freedom from supervision by others 5. Cheaper - less costly; satisfactory 6. Party preservation/maintenance/"Vote leader of party on election day" 	<p>PRO</p> <ol style="list-style-type: none"> 1. Detailed job descriptions/standards for position and honest search for best qualified persons wherever they may be should/ought to insure the appointment of a qualified collector 2. Non-partisan, non-political administration by politically neutral administrators 3. Service to the municipality may be enhanced in terms of 100% collections goal
<p>CON</p> <ol style="list-style-type: none"> 1. Must remain politically active 2. Continued electoral success dependent on party fortunes 3. No requirements, standards prior to election except those required by town committees for nominees/candidates 4. Service to the municipality in terms of 100% collection goal may not be satisfactory 	<p>CON</p> <ol style="list-style-type: none"> 1. Too costly; i.e., appointed personnel are usually more expensive in terms of wages, hours, fringes 2. Not as responsive to the public as an elected official 3. More potential for political/administrative interference indirectly through the appointing authority

Interestingly, the issue was addressed in 1933-35 in a comprehensive study of Connecticut municipal finance, including assessment and collection. Written in the midst of the Great Depression when collections were at all time lows, the report said:

Tax collection is a technical field. The tax collector is - or should be - much more than a mere receiver of taxes. He must be able and prepared to force collection of delinquent taxes by difficult legal procedures strictly adhered to. To do so he must not only be intelligent and experienced, but he must be unhampered by political obligations and free from the necessity of catering to the electorate by means of loosely enforced collection procedures.

With a system of annual and biennial elections it would be too much to expect uniformly high-grade collectors. There are many collectors in the state who are of superior caliber, but this fact, we are convinced, exists in spite of the circumstances surrounding their selection, tenure, and compensation

We therefore recommend that the collector hold office upon the same terms recommended in the preceding chapter for the assessor, that is, by appointment of the budget-making authority for a term of six years, subject to removal by such authority, for cause after hearing.²

Collectors of revenue in Connecticut local government, regardless of whether they are appointed or elected, in small or large communities, are required to work with a number of local departments and agencies - both public and private - as well as with several state departments and possibly the United States government.

Chart I depicts graphically the most important of these agencies and departments. Additionally, certain non-governmental groups are identified because of their significant impact on local government and on the tax collection office itself.

²Report of the Connecticut Temporary Commission to Study the Tax Laws of the State and to Make Recommendations Concerning Their Revision. Hartford: 1934, 337.

Local Agencies

1. **Chief Executive** - The local governmental chief executive officer may be either a First Selectman, a Mayor, or Manager depending on whether the community has a selectman-town meeting, mayor-council, or council-manager form of government, respectively. The collector may be an appointee of the chief executive. If not, the collector as a major department head is a member of the municipal administration and is affected by policies and procedures of the chief executive.
2. **Town Assessor**- As co-administrators of the property tax laws of Connecticut, the assessor and collector are interdependent officials required by the complexity of Connecticut's laws to work together to administer them successfully. They have a day-to-day dependence on each other.
3. **Town Treasurer**- As the municipality's banker, the treasurer is responsible for receiving all money belonging to the municipality and for paying out money on order of proper authority.
4. **Town Clerk**- As the administrator of the town's public records including land records, vital statistics, and elections, and as agent for the State of Connecticut, the town clerk is central to effective local governmental administration.
5. **Town Accountant/Finance Officer** In municipalities with comprehensive departments of finance, the office of tax collector/collector of revenue is a subordinate unit. The director of finance, who may also be town accountant, is the department head.
6. **Town Attorney** - The town's attorney, sometimes called corporation counsel, is the municipality's legal officer. As such, any legal work required by the collector must be routed through this office. This officer is crucial to the application of foreclosure.

7. **Police Department** - The collector should be in touch with local police officials on matters of office security, bank deposit policy, and current ownership of motor vehicles.
8. **Town Auditor (private)** - The audit firm hired by the municipality to examine the financial records of the community can have a significant impact on the collector. Their examination and report are intended to evaluate the performance of all financial officials of the community. The tax collector/collector of revenue office is a major segment.

State Agencies

9. **Probate Court**- The tax collector may be required to deal with the Probate Court for his/her jurisdiction in the event of an outstanding obligation by a decedent to the municipality. Timeliness of action is important in dealing with the estate of a taxpayer. Statements of outstanding taxes and any penalties should be sent to the Court.
10. **Office of Policy and Management**- All municipal collection personnel should be familiar with the program and staff of this department. This agency of the State of Connecticut is responsible for technical assistance to, supervision of, and legal guidance regarding statutory interpretations with respect to the assessment and collection functions of all municipal governments in Connecticut. Its staff are involved in a significant number of activities impacting on assessors and collectors and are available for consultations to both.
11. **Department of Motor Vehicles** - Likewise, this department is linked to the assessment and collection function because motor vehicles are taxable under Connecticut law. Registration information is made available to assessors for pricing purposes and arrangements have been made with municipal collectors to "flag" i.e., not re-register delinquent motor vehicles until the delinquency has been removed.

With more than 2 1/2 million motor vehicles to monitor, these departmental relationships are on-going, frustrating, and unsatisfactory for all the parties.

12. **Secretary of the State**- The office of the Secretary of the State is important to the municipal collector because its Uniform Commercial Code Division is the repository of lien documents prepared by collectors against corporations who have not paid their taxes. The lien document is described as "Standard Form-Uniform Commercial Code - Form UCC-1" and is prepared and processed according to S. 12-195a through 12-195g, Connecticut General Statutes. The Corporate Section lists names of corporation officers or agents for service (out-of-state corporations).
13. **Sheriffs (counties)** - Historically, the office of sheriff was part of county government in Connecticut. Even though county government was abolished in 1960 and most of its functions absorbed by state agencies, the elected sheriffs and appointed deputies continued to serve papers. Counties continue to prevail as geographical subdivisions. Today, municipal collectors turn to sheriffs to serve alias tax warrants on delinquent taxpayers. When they perform their duties in a timely manner, sheriffs can be an effective adjunct to the collector's efforts.
14. **Institute of Public Service, The University of Connecticut**- Municipal collectors are one of many municipal groups the Institute serves through its educational, research, and consultative activities. In-service training, certification, and publications dealing with property tax assessment and collection should be of particular interest to collection personnel.
15. **Public Records Administration** - Connecticut law provides that public records are to be maintained, preserved, retained, stored, and destroyed only under the law and the rules and regulations of the public records administrator.

Retention schedules have been developed for records generated in the office of the tax collector and tax collectors should be familiar with these schedules issued by the public records administrator.

Federal Agencies

16. **Internal Revenue Service** - Heretofore, contacts with the Internal Revenue Service have generally been limited to providing agents with verification of taxes paid. The 1986 Tax Reform legislation did provide, in the House of Representatives version, that state and local governments provide Form 1099 statements of payments to all taxpayers and the Internal Revenue Service. However, this provision was stricken from the final bill. It will be something to watch in the future.
17. **U. S. Bankruptcy Court** - Collectors should be aware of the requirements of the United States Bankruptcy Court for creditors in any bankruptcy proceeding. A Proof of Claim must be filed with the Court concerning any outstanding obligations of a taxpayer to bankruptcy.
18. **U. S. Postal Service**- Collectors should be aware of the requirements of the Postal Service with respect to the handling of mail - both incoming and outgoing. Problems with addresses, forwarding procedures, bulk mailing, etc. can be troublesome concerns which bring the U. S. Postal Service into the orbit of the office of tax collector.

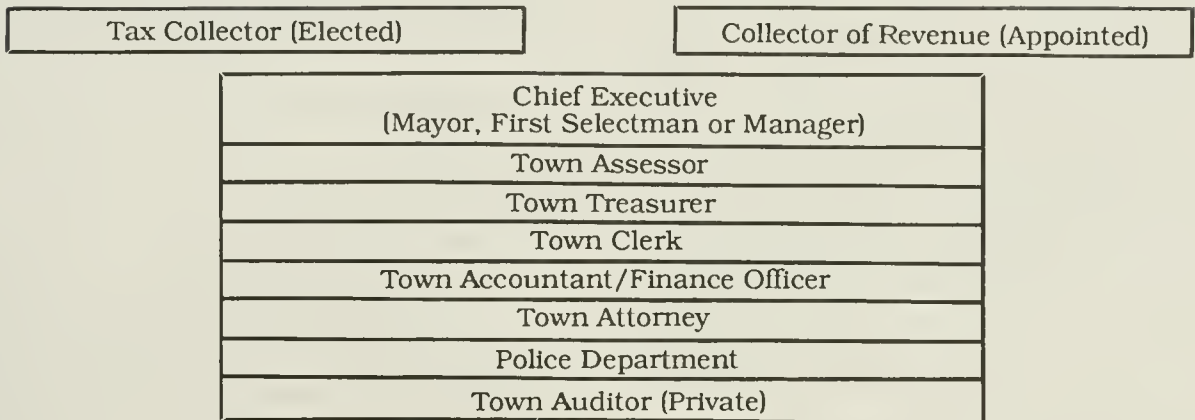
Other Groups

19. **Tax Collectors Association of Connecticut** - This association is the professional and educational organization of Connecticut's municipal tax collectors, including special district collectors. It sponsors educational and informational meetings for collectors and represents the common interests of collectors with other professional organizations before the State Legislature. County-wide associations are also active adjuncts to the state organization.

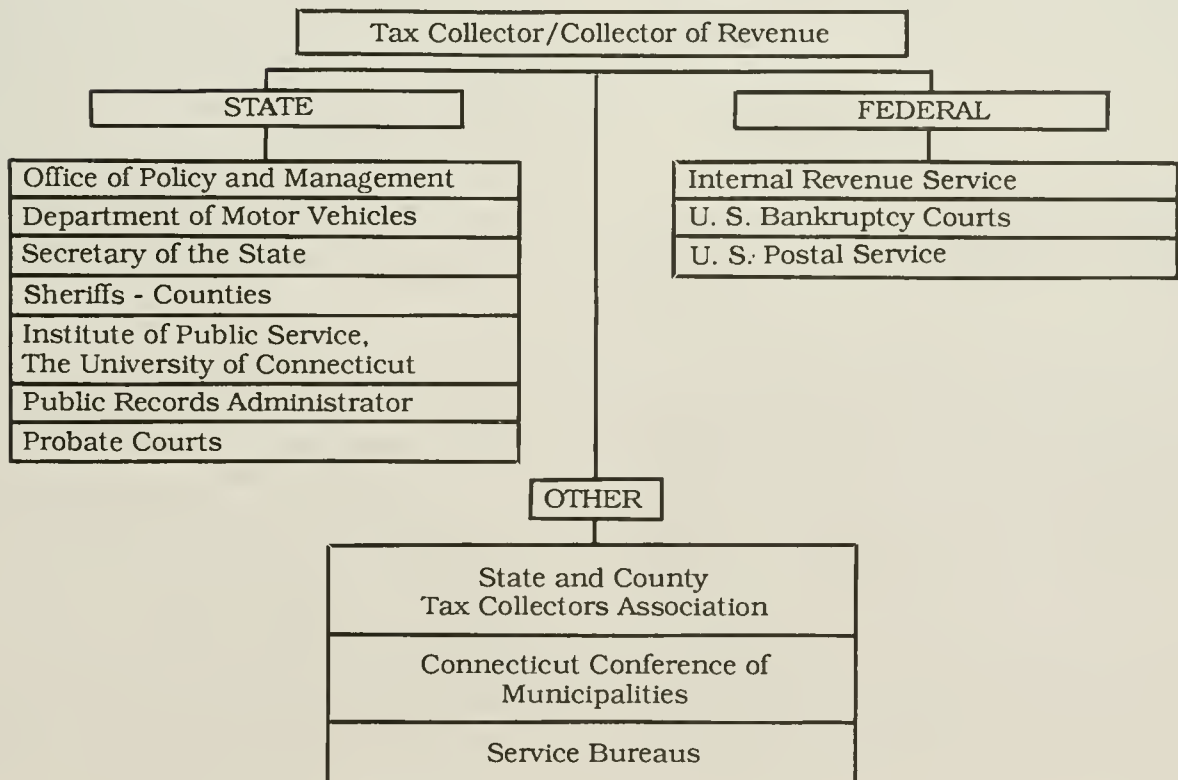
20. **Connecticut Conference of Municipalities** - This organization is the major means by which municipalities of Connecticut have joined together to lobby the Connecticut General Assembly and the United States government on matters of local importance, especially program design and funding levels. The Conference also provides technical assistance, information, and related services to member communities.
21. **Service Bureaus** - Service bureaus are primarily private organizations providing various kinds of specific, technical services to municipalities with respect to assessment and collection. These services tend to be computerized packages of data processing of assessments, tax bills, etc.
22. **Banks** - Banks are private institutions with which collectors have many contacts with respect to deposits, escrow accounts, etc. One of the newer and more significant contacts relates to "lockbox" agreements in which banks process routine collections for tax collectors during peak collection periods.

CHART I

TAX COLLECTOR/COLLECTOR OF REVENUE RELATIONSHIPS WITH LOCAL AGENCIES/DEPARTMENTS



TAX COLLECTOR/COLLECTOR OF REVENUE RELATIONS WITH STATE/FEDERAL AGENCIES AND OTHERS



CHAPTER III

Property Tax Administration in Connecticut Local Government

The assessment and collection of property taxes is an exclusive function of town and city governments in Connecticut; property taxes are neither levied nor collected by the state government. This chapter will outline briefly the organization and financing of town and city government in Connecticut and the role of the assessor.

Local Government in Connecticut

The State of Connecticut is divided into 169 contiguous towns and cities which are the major units of local government. The entire area of the state is included within the boundaries of these incorporated municipalities and they are permitted to provide all of the services which are common to local government. Their governmental organization is established under the General Statutes or by special charter.

Within many of these towns and cities, special districts have been created to provide services for areas of concentrated population. Some 230 special districts have been organized to provide fire protection, sewer service, street lighting, general improvements, or a combination of these services. Most of these districts, however, do not have separate assessments but instead rely, when necessary, on town or city assessments. Many have their own collection and accounting systems separate from the municipal governments'.

Financing Local Government

Connecticut's fiscal 1986 municipal revenues approximated 3,669 billion dollars with property taxes constituting \$2,387.8 billion or 65.0% of the total. Thus, Connecticut's local governments rely overwhelmingly on this source of revenue, yet the property tax in Connecticut is a budget balancing tax. After all other revenue has been deducted from total budgeted expenditures of a municipality, the property tax rate is determined at a figure which will produce the additional needed revenue to balance the annual budget.

Classes of Taxable Property

Two classes of property are subject to taxation - real and personal property. Real property includes land and improvements that are permanently attached to the land. Personal property includes all other property not classified as real property, such as, but not limited to, machinery, equipment, furniture, fixtures, motor vehicles, and leased equipment. Boats and inventories are no longer assessed. It is to the tax collector's advantage to know and understand as much about the work of the assessor as possible. To that end, additional materials on the assessment process are included in this chapter.

Property Tax Procedure

The property tax rate is expressed in mills or thousandths of a dollar in Connecticut. A tax rate of 45 mills is equivalent to \$45.00 per \$1,000 of assessed value. The property tax rate is determined by dividing the grand levy by the net grand list; this process may be expressed by the following formula:

$$\frac{\text{Grand Levy}}{\text{Grand List}} = \text{Tax Rate}$$

The grand levy is the amount of revenue which must be raised by the property tax; the grand list is the total assessed value of all taxable property.

Property is assessed in each town or city as it existed on the assessment day. The assessment date for all towns and cities in the state is October 1. The grand list must be completed by the assessor(s) and filed with the Town Clerk by January 31. The Board of Tax Review meets during February and must complete its duties before March 1, unless otherwise provided by law.

Based on this adjusted grand list and the determination of the town budget - through the political process - a tax rate is set by the Board of Finance, or town or city council. The

normal time frame for this aspect of the process is March-May with tax bills prepared by the collector in June for payment in July, the first month of the fiscal year.

Assessment Administration Concepts and Procedures³

Rule of Valuation

Property taxes are so closely related to property values, that they have become practically synonymous with the related term ad valorem tax, meaning a tax dependent upon the value of the item being taxed.

The General Statutes provide that the present true and actual value of property must be deemed by all assessors and boards of tax review to be its fair market value and not its value at a forced or auction sale (S. 12-63). The exceptions to this general rule are: (1) the present true and actual value of land classified as farm land pursuant to Section 12-107c shall be based on its current use without regard to neighborhood land use of a more intensive nature; (2) the present true and actual value of forest land classified pursuant to Section 12-107d shall be based on its current use without regard to neighborhood land use of a more intensive nature; and (3) the present true and actual value of open space land classified pursuant to Section 12-107e shall be based on its current use without regard to neighborhood land use of a more intensive nature, provided that this value of open space land shall not be less than it would be if it comprised a part or a tract or tracts of land classified as farm land (S. 12-63). Section 12-63a provides for special consideration to be made in determining the value of mobile home parks and mobile homes.

Value has many meanings and may be expressed as sale value, purchase value, market price, going-concern value, retail value, wholesale value, or one of many other types of values. But market value is the amount of money for which property may be exchanged (1) within a reasonable period of time, and (2) under conditions in which both

parties to the exchange are willing, able, and reasonably well informed. The courts have ruled on what is fair market value, and these legal decisions amplify the statutes with respect to specific pieces of property.

Because market value has meaning only in terms of human wants and needs, it is bound to fluctuate for any item of property. Assessors frequently use three common gauges with which to measure and express the value of property. They are sale price, cost, and income capitalization. However, these and any other criteria that may be used must be constantly reviewed, keeping in mind population trends, standards of living, moral and ethical attitudes of people concerned, and civic affairs.

Assessment Percentage of Ratio

Section 12-64 of the General Statutes provides that all property, not exempt, "shall be set in the list of the town where it is situated and, except as otherwise provided by law, shall be liable to taxation at a uniform percentage of its present true and actual valuation, not exceeding one hundred percent of such valuation, to be determined by the assessors . . ." This statute makes two significant requirements: the same percentage must be used for all property, both real and personal, and the assessment must not be more than 100 percent of value. The percentage which the assessor applies to full values before setting them in the grand list is often referred to as the "assessment ratio" or the relationship between assessed values and market value. Assessment ratio in Connecticut ranges anywhere from 30 percent to 80 percent, but 60 and 65 percent have been most commonly used. However, S. 12-62s mandates assessment of all property at 70 percent of fair market value at the time of the next revaluation, required by 1990.

Uniform Assessment Date

State statutes provide that the assessment date for the 169 towns as defined in Section 7-381 in the State of Connecticut shall be October 1.

Principal of Equity

The cardinal principle of assessing is equity. This principle is constantly being

³Material for this section has been excerpted from Handbook for Connecticut Assessors, 1984 ed.

refined by new laws and court decisions which offer guidance on:

1. What property is assessable
2. Where property is assessable
3. When property is assessable

For example, the statutes carefully delineate what property is to be taxed and also what property is to be exempt from taxation. Further, they imply that real property is to be assessed where it is located and that personal property is generally assessable in the town where located.

The burden of assuring uniformity of assessments and the resultant equity in property taxation rests with each individual Assessor. It is his/her responsibility to determine the extent to which the assessed value of one piece of property varies from others in the same assessment district. For example:

<u>Taxpayer</u>	<u>Fair Mkt. Value</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Tax Bill</u>	<u>Effective Rate per Fair Market Value</u>
Jones	\$50,000	\$25,000	30 mills	\$750	15.0 mills
Smith	\$30,000	\$20,000	30 mills	\$600	20.0 mills
Hugo	\$20,000	\$15,000	30 mills	\$450	22.5 mills

Analysis of this type also holds true for variations in valuation between different assessment districts when considering the taxes of other overlapping jurisdictions. It shows how an individual assessor can ensure or destroy the principle of equity in property taxation.

Real Estate Liable to Taxation

All of the following types of property, not exempted, must be set in the list of the town where they are situated at a uniform percentage of their present true and actual valuation not exceeding one hundred percent: dwelling houses, garages, barns, sheds, stores, shops, mills, buildings used for business, commercial, financial, manufacturing, mercantile, and trading purposes, ice houses, warehouses, silos, all other buildings, house lots, all other building lots, agricultural lands, shellfish lands, acreage lots.

Real Property Assessment - Three Approaches to Value

For assessment purposes property includes both real and personal property. Real property includes land and the improvements on the land (buildings). Connecticut law requires that separate values be placed on land and improvements (S. 12-64). Condominium assessments are indicated as one total. Three basic rules have been laid down by Connecticut courts for use in estimating the fair market value of property generally. These are (1) sales of comparable properties (market data approach); (2) replacement cost less depreciation and obsolescence (cost approach); and (3) capitalization of income (income approach). All three approaches are not always applicable in estimating land and building values, but each should be examined before attempting a valuation. These three accepted valuation methods manifest themselves in the three accepted approaches to value.

Market Data Approach

The market data approach is the application of data from the market. Sources of such data are the prices paid in actual land transfers as recorded in the land records, offers to buy and sell, financial news services, newspaper advertisements, sales records, local real estate agents, multiple listing services, interest rates, rental values, and expenses. This approach is also known as the comparative approach or the sales approach. These terms essentially apply to the same process, namely, the relating of the facts of the market by comparison to the property to be appraised. The market data approach depends on two important points: sales must be bona fide, and sales must be of comparable properties and in the same period.

The market data approach has been defined as "an appraisal method used to estimate the value of real estate in which the

appraiser searches the market to ascertain the selling prices of similar properties, and then by the process of comparison, estimates the value of the subject property. " In this process, the appraiser compares the subject property with those that have been sold, and then, using these selling prices as a basis, estimates the value of the property. The market data approach based on valid sales is the preferred method for assessment purposes. It is more fully in accord with property tax assessment law and is generally believed to be a more objective method than the income approach. The value estimates derived from the use of this method are valid only when the sales considered are bona fide and timely and when properties are comparable. The market data approach is particularly useful in the appraisal of land.

Limitations of the Market Data Approach

While the market data approach would seem to recommend itself as the most logical and most objective approach to value, several inherent difficulties must be considered, the chief of which lies in the all too frequent problem of insufficient valid sales, or a condition in which no sales exist.

Another difficulty is the need for making numerous adjustments to sales before they can be considered comparable. These adjustments are based on subjective evaluations of the differences between properties or locations. The validity of these adjustments is difficult to prove and the greater the adjustments the more the doubt which may be cast on the value estimate.

Further difficulties include the time lag in market reporting, which may produce distorted indications; governmental policies, particularly short term, which may have a temporary effect on the market; the type of financing; the tax status of buyers and sellers; and finally the fact that one is supposed to obtain an indication of what typical informed buyers and sellers will do in the market through consulting a series of buyers and sellers, all of whom are to various degrees uninformed.

Strengths of the Market Data Approach

Overriding all these limitations, however, is the fundamental strength of the

market data approach. It best captures the actions of the market place and best reflects what buyers and sellers are actually doing and what they are paying.

The market data approach is recognized by the courts, and it is the most defensible of all the approaches in court because it tends to establish self-assessment by the public. If the assessor properly applies facts discovered in the market place, the value he assigns to a particular property reflects what the public is doing in this area.

Cost Approach

In the search for value, assessors have always placed much emphasis on the cost approach. The basic steps in this approach involve consideration of the estimate, preferably by the market approach, of the value of land regarded as vacant; the estimate of the replacement cost of the improvements (at the time of the appraisal); the estimate of accrued depreciation; and the addition of the land value and the depreciated replacement cost of the improvement to form a value estimate. The cost approach is based on the premise that a person will not pay more for a property than it would cost to duplicate it.

The cost approach has been defined as "a method of estimating the market value of buildings and structures by estimating the replacement cost or reproduction cost of the structure and deducting the estimated accrued depreciation. To this is added the value of the land, estimated by the market data approach, to obtain the value of the entire property." Expressed as a formula, this approach would be:

Replacement Cost - Depreciation + Land Value
= Market Value

Replacement cost is the cost of replacing a structure with a similar and comparable one of equivalent utility. Reproduction cost is the cost of reproducing a new replica property on the basis of current prices with the same or closely similar material. In practice these two terms are often used interchangeably although they are not synonymous.

Depreciation Highlights

There are no so-called scientific tables

of depreciation which can properly measure loss in value attributable to physical deterioration, to functional obsolescence or to economic obsolescence.

Functional and economic obsolescence are the causes of the greatest losses in value and are too often entirely overlooked by the average assessor. Do not disregard other forms of depreciation and obsolescence after age has been considered. Physical deterioration may be halted or cured by the expenditure of money or labor or both. All physical factors are within control of the owner or occupant, and well maintained properties have an indeterminate life. More houses are torn down than fall down, and for reasons other than physical.

The assessor, after personal observation, must be able to recognize depreciation in all its forms in order to correctly estimate the fair market value of real estate.

Income Approach

The third valuation method in the appraisal process is the income approach. In this approach the value of a revenue producing property is measured by its ability to produce income (rent) and the measure of value is the present worth of the right to receive the future income (rent) which the property produces. In other words, in this approach income is the yardstick of value, just as cost is the yardstick in the cost approach and selling price in the market data approach.

Justification for Use of the Income Approach

Where there are few sales and the market data approach is of little value, rents and leases and the income approach must be used. Property managers and owners say income property is worth no more than it will produce regardless of cost. The income approach is the most commonly used method in the market place for valuing investment property. Because of difficulty of measuring depreciation and estimating cost to reproduce old or special purpose structures, the income approach is a good check against cost approach value. Because of differences of opinion in adjustment of market data, it is also a good check on the market data approach to value.

Fundamental Steps in the Income Approach

1. Estimating effective gross income
2. Estimating net income
3. Selecting the interest rate
4. Selecting the rate for capital recapture
5. Selecting method and technique to be used
6. Computing the value by capitalization

The Assessment Process

Three major steps involved in the assessment of property, whether real or personal, are: (1) discovery, (2) listing, and (3) pricing. These steps must be followed diligently by assessors to insure that no property is omitted or listed twice, that each property is assessed to the correct person or persons, and that each property is assessed uniformly and according to law.

Discovery

The assessor's first job is to locate property. He usually starts with the previous year's tax lists or record cards. He must, however, use previous records only as a basis for setting up the new list and must avoid the mere act of copying. When property must be declared, the declaration is another clue to ownership but the declaration should not be relied on completely because experience has proven that an owner's report is all too often an understatement of how much taxable property he owns.

Other sources of information regarding real estate are: (1) Town Clerk's land records and property transfer cards, (2) maps, particularly development maps, (3) the Commercial Record, (4) building permits, (5) newspapers, (6) removal permits or reports of fire, and (7) actual inspection of the property. Many of these same sources are of value in the location of personal property. Additional sources of information about personal property include: (1) motor vehicle registrations, (2) conditional bills of sale and chattel mortgages, (3) certificates of trade

names, (4) annual reports, (5) beer licenses, (6) corporation reports from the Secretary of State, and (7) personal inspection.

Listing

After property has been located, assessors must list all pertinent information on new tax lists or record cards. It should be remembered that all forms used must be prescribed or approved by the Secretary of the Office of Policy and Management.

All interest in real estate must be set in the list of the person in whose name the title to such interest stands in the land records on the assessment date (S. 12-64). Information needed includes the owner's name and address, the location and legal description of the property, and the size and quantity of land. The description of each parcel of land, whether by lot number in a development, by block and lot numbers on the assessor's maps, acreage or otherwise, must be clearly designated so that no additional information is needed to identify that parcel.

Each parcel of land should be listed separately. This is the only way an assessor can be sure that no property is omitted and that each piece can be easily identified on the maps for tax lien purposes or for separation when one parcel of land is sold out of several belonging to the owner.

Real estate having been described as land with all improvements permanently attached thereto, all buildings are considered an improvement to the piece of land on which they stand and must be listed with that parcel of land.

Some towns use the same tax lists for personal and real property, others separate the lists. All personal property must be listed according to owner.

Pricing

Before he can effectively study methods and procedures of measuring the value of various types of property, an assessor must understand the two fundamental requirements in the pricing of property for assessment purposes.

First, all property must be assessed according to the statutory rule of value. Second, all property must be assessed uniformly and at the same level of value. This uniformity in assessment cannot be achieved without the use of pricing schedules for various types of property. The use of such schedules not only produces more equitable assessments but also provides a basis for better defending or explaining his assessments to taxpayers.

Assessment Procedure

With so many phases of the assessment process to be accomplished within a limited time, some schedule of procedure is necessary. In municipalities where the assessor or a clerk is on duty throughout the year, much administrative work can be handled during the year; but in smaller towns where assessors are on duty only four or five months, lack of a definite program could result in incomplete records, numerous errors, and the omission or duplication of property.

The assessor must keep in mind the provisions of the General Statutes of Connecticut which tell him/her when and how certain phases of assessment procedure must be accomplished. These provisions relate specifically to filing of tax lists, the assessor's power to obtain information, completion of the abstract and grand list, and issuance of certificates of error and correction.

The Municipal Collector: Administrator of State Statutes

Election - Appointment - Term - Bond

The General Statutes of Connecticut, in the absence of special legislation or charter provisions relating to a particular town or city, prescribe the method of electing or appointing collectors of taxes in each town or city in the state. Each town, unless otherwise provided by law, must elect a collector of taxes for a term not less than two years and not more than six (S. 9-189). The term of office begins "from the date of election," which puts great pressure on collectors to cope with the complexities of office early in their term.

When a collector is unable to perform the duties required because of illness or disability, the governing body may appoint a suitable person as "acting tax collector" (S. 12-137).

After being sworn in (S. 1-25), each tax collector must furnish a bond to insure the faithful discharge of duties. The form of the bond must be approved by the Secretary of the Office of Policy and Management, while the amount is fixed by the selectmen, the mayor, or an equivalent authority. Bonds must be procured from surety companies of good standing and the premiums paid by the town (S. 12-136).

Statutory Preliminaries

Statutorily speaking, the tax collection process begins:

- a) When the selectmen or other governing officials make out and sign rate bills indicating the tax each property owner is to pay according to the assessment list (S. 12-130).
- b) The rate bills are turned over to the collector with a warrant issued by a judge of the superior court or a justice of the peace, directing the collector to collect the taxes and, if necessary, levy lawful penalties and sell enough of the property to pay the tax (S. 12-130, 132).

c) At least five days before the due date of a tax, again within one week after the due date, and finally at least five days before the date of delinquency, the collector must give notice to all taxpayers, upon a public signpost and in a local newspaper, of the time and place at which the tax can be paid. This procedure is required of installment payments as well (S. 12-145).

d) The collector must mail or hand to each individual from whom taxes are due a bill for the amount of taxes together with a statement of any prior delinquencies and a statement of state aid to municipalities (S. 12-145).

e) Failure to receive a tax bill does not invalidate the tax or interest (S. 12-145).

Collection Procedures Required by Statute

As noted earlier, the collection of taxes function is both historic and statutory and steeped with legal traditions/precedents. But it also has a very contemporary business dimension with respect to operational policies and procedures, equipment, personnel, forms, collection techniques, and public relations aspects which are quite diverse and differ from place to place. We will examine some of these discretionary matters later. In this section, various mandated operational requirements are highlighted:

Receipts

- a) Every receipt issued must bear the same number as that shown on the tax bill (S. 12-134). The receipt book is furnished by the municipality and is a public record.
- b) Unless otherwise authorized by the Secretary of the Office of Policy and Management, each receipt must be consecutively numbered (S. 12-151).

Partial Payments

c) Partial payments or installment payments must be first applied to personal property tax obligations before any real property unless the person making the payment, in writing, otherwise directs (S. 12-143).

Payments to Treasurer

d) Once a month, on or before the tenth day, the collector must turn over to the town treasurer all monies collected during the prior month in taxes, interest, penalties and lien fees. On or before the tenth day of each month, the collector must deliver to the treasurer a complete list of the names or account numbers of persons from whom such monies were collected (S. 12-147, 148).

e) All such lists shall be preserved by the treasurer until the next annual audit and until the accounts of the treasurer and collector are finally settled with the municipality (S. 12-149).

f) Failure of the collector to collect and pay in the manner prescribed may result in civil action against the collector or his estate, and his removal from office (S. 12-154).

Annual Report to Governing Body

g) Each collector, at the end of each fiscal year of the municipality, must deliver to the governing body of the municipality a certified statement showing a complete report of collections of taxes, interest, penalties, liens, total amount uncollected on the last day of the fiscal year, abatements and reasons therefor, additions and deductions by lawful corrections, transfers to the suspense book, and total unpaid tax balances of each prior year (S. 12-167).

Public Inspection of Records

h) All tax books of the collector must be open to public inspection at all reasonable times (S. 12-139).

The Suspense Book

i) A suspense book must be kept by all municipalities. Once a year the collector must furnish to the governing body of the municipality, for approval, a statement showing each item of personal property tax which s/he deems uncollectible, each real estate tax balance remaining uncollectible after tax sale, and reason why s/he believes such tax or balance to be uncollectible. Items transferred to suspense are removed from consideration as assets of the town but are not abated as a tax liability of the person against whom it was levied. Taxes listed in the suspense book can and should be collected whenever possible (S. 12-165).

Corrections, Abatements, Refunds

Administration of a tax collection system inevitably involves the collector and staff in various modifications/corrections to the administration of the tax either by the assessor or collector, changes in the law, and other dynamic forces involved with the tax system. The fact is that the entire system is really quite fluid and needs constant attention to preserve its accuracy.

Corrections

If an error in the computation of the tax is made it can be corrected by the tax collector. An error in assessment, whether of omission, addition, or clerical in nature, can only be corrected by the assessor (S. 12-60). When the assessor changes an assessment he must furnish the tax collector with a signed Certificate of Error indicating the taxpayer, account number, year, the amount of the correction, whether an addition or reduction, and the date. All corrections must be noted in the rate book opposite the taxpayer's name and in the special sheets in the rate book.

Whenever the collector is aware of any mistakes in assessment, s/he must make known the fact to the town clerk who records the facts for the use of the assessor (S. 12-138).

Abatements

Taxes or interest on delinquent taxes or both of persons who are poor and unable to pay, on railroad companies in bankruptcy

reorganization, or taxes of corporations seeking federal working capital when the municipal tax on such corporation is a handicap to granting of the loan, may be abated only by the governing body of the municipality (S. 12-124, 125). Property of water corporations (S. 12-125) and structures of historical or architectural merit (S. 12-127a) were added to the abateable property category in 1983 and 1984 respectively.

Taxes may also be abated in a case in which a redevelopment agency acquires real property (S. 10-18a). Any person unable to submit evidence of blindness as defined by (S. 12-92) or as a veteran as defined in (S. 12-93) may, when s/he obtains such evidence, make application within one year for an abatement in case the tax has not been paid, or a refund in case the whole tax has been paid (S. 12-127).

Taxes may also be abated or refunded if tangible personal property is assessed in more than one municipality in the same calendar year (S. 12-126).

Refunds

Refunds and a refund policy are necessary because the administration of the property tax collection system involves so many actions and reactions to the activities of the public, the Legislature, the local governing body, the collector and staff, and others. As in so many aspects of tax collection administration, policy regarding refunds is set by state statute and local ordinance policy.

In general, no cash refunds may be made by the Tax Collector directly to a taxpayer. Refunds of taxes paid can be made only after certain established procedures have been completed. All such refunds must be made through the Town Treasurer showing the name and address, year, list number, account number, and reason for refund. A taxpayer must apply in writing, and a list of all such refunds must be kept for purposes of audit.

The Statutes provide for refunds in the following circumstances:

1. Personal property assessed in more than one municipality (S. 12-126).

2. A delayed tax exemption application for blindness. Application must be made by the taxpayer within one year after such proof is obtained (S. 12-127).

3. Erroneous collections from veterans and relatives may be refunded upon application and claimed within six years from date of payment (S. 12-128). Veterans encountering difficulty in procuring annual disability rating certificates may apply for refunds within three years of date of entitlement (S. 12-81 [20]).

4. Excess payments may be refunded as follows:

- a) application for refund within six years of payment

- b) review of records by collector with recommendation to governing authority

- c) at end of fiscal year, collector files list of all refunds either in annual report or in the town clerk's office (S. 12-129).

5. In the case of a jeopardy collection, if it is found that the amount paid is in excess of the amount which would have been paid on the tax due date, or after appeal to the courts, the excess shall be returned to the taxpayer on written application to the treasurer of the municipality (S. 12-163).

Collection Enforcement: Nobody Said It Would Be Easy

When the property taxes due and payable on real and personal property and motor vehicles subject to taxation under Connecticut law become delinquent, i.e., unpaid on time, the work of the collector begins in earnest. In brief, collection enforcement relies on four things: on the fundamental value of real property as an asset to the taxpayer, on the coercive power of government to collect, on the skill and persistence of the collector to use the available instruments of enforcement effectively, and on the General Assembly as well as the municipal governments to provide the collectors with adequate statutory support and staff assistance to do the job required. When any of these elements are flawed or inadequate, the task of the collector may be made overwhelmingly more difficult or even impossible.

For instance, with respect to motor vehicles, the Connecticut Temporary Commission on Connecticut's Tax Laws said that

The collection of property taxes levied on motor vehicles is even more difficult than the assessment of them. The task of collectors in locating motor vehicle owners and in collecting the taxes is complicated by the mobility and destructibility of the property, the frequency with which motor vehicles are transferred, and the long interval between the date as of which the lists of the commissioner of motor vehicles are compiled and the due dates of property taxes. Perhaps the most important cause of collection trouble, however, is the practice of owners in registering motor vehicles as residents of towns other than those of residence at the time the taxes are due. The extent to which this practice exists is not definitely known, but it is thought that a great many vehicles are so registered.⁴

These words were written in 1933 when the state had only 250,000 motor vehicles. Time, the legislative change to two year registrations, and growth in the value and number of motor vehicles have exacerbated this problem over the years to major proportions now. Today, there are 2,500,000 motor vehicles which account for \$260,000,000 in property taxes for the entire state.

Before we examine the statutory tools of collection, it is important to note that while all of the collection statutes apply to all communities, not all communities are the same. Therefore, the success of various techniques will differ. Whether communities are urban, suburban, or rural; whether rich or poor; whether they have problems with abandoned property, low per capita income citizens in an urban or rural context or just the opposite, these factors will influence the success or failure of the collection effort.

Thus, while collection percentages are interesting and serve as benchmarks between jurisdictions, they are not enough. The nature of the delinquent list of motor vehicles and business equipment accounts must be analyzed more completely in terms of real property - whether residential, commercial, industrial, personal property, or defacto abandoned, etc.

Coupled with analysis of the delinquent list is analysis of the delinquent. Why is the person or business delinquent? Among the possible reasons:

- a) Simply cannot afford to pay - personal survival at stake;
- b) Could pay but has deferred government payments because it is cheaper to borrow from the government;
- c) Could pay but thinks government is "bad" and doesn't deserve to be paid. Taxes are unfair, etc.;
- d) Could pay but system makes it "easy" to avoid paying (automobiles);

⁴Report of the Connecticut Temporary Commission, p. 277.

- e) Paying is more difficult because of personal situation (less income, unemployed, bad luck, illness, bad personal financial management, etc.).

Initial collection efforts should be directed first against all delinquent motor vehicle and personal property taxes, as the possibility of such taxes becoming uncollectible is far greater since motor vehicles and personal property can be readily moved without notification.

Collection Methods Available by Statute

Demand

If any person fails to pay any tax, the collector shall make personal demand of the taxpayer or leave written demand at his place of abode or last known place of residence (S. 12-155). Most collectors use the demand form as a necessary first step in dealing with delinquent taxpayers. Generally, it is effective with some first time delinquents, but habitual delinquents simply ignore it.

Alias Tax Warrant

After demand has been made as required under Section 12-155, and the delinquent taxpayer has made no effort to make payment, collection should be enforced by the use of an alias tax warrant.—In brief, the alias tax warrant is a legal instrument issued by the tax collector authorizing the sheriff, deputy or constable of the County to collect forthwith the taxes, interest, and charges due from the delinquent taxpayer (S. 12-112). The power of this instrument lies in the language of the warrant which threatens the taxpayer with the sale of his property or the garnishment of his wages, or payment from assets in his bank; it also lies in the persistence and effectiveness of the sheriff or deputy. Business property can be padlocked by the sheriff. A new warrant must be executed after thirty days. On balance, the alias tax warrant is considered the collector's most effective tool.

Tax Sale of Real Estate

Connecticut law provides procedures for the collection of delinquent taxes on real estate

through a tax sale conducted by the tax collector. This is a complex procedure and the instructions in the statutes should be followed in detail. This technique will enable the collector either to sell or acquire the property for the municipality in lieu of the taxes due. Procedural steps required by statute include:

1. Notices in duplicate with name of taxpayer, amount of taxes, property description, and time/place of the sale.
2. Placement of notice(s) with town clerk and on town signpost.
3. Posting and filing must be done not more than ten and not less than nine weeks before the time of the sale and shall constitute a legal levy of such warrant upon the real estate therein referred to.
4. Collector shall also send by mail, postage prepaid, to the delinquent taxpayer and to each mortgagee, lien holder, and other record encumbrancer whose interest in such property will be affected by such sales, a similar notice at least four weeks before such sale.
5. The collector may adjourn the tax sale with proper notice of such adjournment.
6. At the sale, the collector (a) may sell at public auction to a bidder enough of such estate to pay the taxes with interest, fees, and other charges allowed by law or (b) may sell such estate to his municipality if there has been no bidder or the amount bid is insufficient to pay the amount due.
7. Within one week after such sale, the collector shall execute a deed to the purchaser or to the municipality conducting the sale and shall lodge the same in the office of the town clerk, where it shall remain unrecorded one year from the date of such sale.
8. The delinquent taxpayer or any person interested in the estate may pay the taxes, interest, and charges during one year from the tax sale. If the taxes are not paid within one year, the deed shall be recorded and have full effect.

This deed is prima facie evidence of a valid and unencumbered title in the name of the buyer, or grantee, to the property conveyed (S. 12-159).

Collection by Suit

All taxes properly assessed shall become a debt due from the person, persons or corporation against whom they are respectively assessed to the town, city, district, or community in whose favor they are assessed, and may, in addition to the other remedies provided by law, be recovered by any proper action in the name of the community in whose favor they are assessed (S 12-161).

The object of this statute is to give a simple remedy for the collection of taxes by an ordinary action of the court and to dispense with long-windedness in pleading.

Jeopardy Collection

Occasionally, the collector finds that between the day of assessment and the first collection date, circumstances may occur which will jeopardize the collection of certain taxes. Upon this belief, the collector must act to collect at once using any one or more of the methods provided by statute. If the rate has been set, the collector can use that rate; if it has not been set, the assessor(s) must value the property on the collector's request. The collector, in turn, may use the rate of the prior year to determine the amount of the tax (S. 12-163). This statute does not provide a new method of collection and does not provide for a lien. It does assist in collecting from businesses which may be moved or dissolved before normal billing time. However, it must be noted that its success depends on a willing taxpayer responding to the bill.

Foreclosure of Tax Liens

The tax collector of any municipality may bring suit for the foreclosure of tax liens in the name of the municipality by which the tax was laid, and all municipalities having tax liens upon the same piece of real estate may join in one complaint for the foreclosure of the same, in which case the amount of the largest unpaid tax shall determine the jurisdiction of the court (S. 12-181). The foreclosure proceedings provided in the General Statutes under S. 12-181 through S.

12-195 should be handled by legal counsel for the municipality.

Uniform Commercial Code - Bulk Transfers

Under Article 6 of the Uniform Commercial Code, any individual, partnership or corporation selling a business shall notify all creditors and tax collectors of the impending sale by registered mail. At such time outstanding taxes due are to be paid before consummation of the sale. If the tax collector is not notified and the sale is consummated, the tax collector can demand payment from the purchaser. This action must be initiated within six months of the date of the transfer (42 a-6-106, 110a).

Collection Administration: Art and Science

As we have seen, the normal, day-to-day operations of a tax office are time consuming enough in terms of the usual requirements of administering the tax collection statutes of Connecticut, responding to the public, dealing with other town departments, and the myriad other service demands which seem to be associated with tax offices throughout the state.

Therefore, when the collector attacks the uncollected list, the delinquent tax, or the delinquent taxpayer, the effort must be legal, systematic, persistent, insistent, and humane. The legal instruments of collection are in place to be used as appropriate and necessary. However, some are more effective than others, some are more complex and cumbersome legally, some require assistance from other departments and agencies of government in order to work. Nevertheless, the collector is charged with the task of collection of 100% of all taxes due regardless of problems with the system of collection as it pertains to motor vehicles and personal property in particular. Each class of property - real estate, personal property, motor vehicles - requires different responses from the collector. Real estate is permanent, attached, and usually has significant intrinsic value which the owner recognizes and cherishes. The major task is to work out a plan of payment with the delinquent taxpayer so that the obligation is reduced in a timely fashion.

Personal property is more mobile, usually has less intrinsic value, in fact, frequently depreciates relatively rapidly, but does have utility to the owner. That is, the owner needs it for his business, activity, etc., and does not want it confiscated by the collector. The techniques in this situation usually include use of demand notices, use of an alias tax warrant, notification of lien placed on real estate, padlock of personal property via an alias tax warrant, revocation of license or permit, and collection by suit.

Motor vehicles, as noted elsewhere, are a special challenge and burden in Connecticut. The nature of the property is mobile, readily transferable, registered by another level of government, easily destroyed, stolen or abandoned, etc. The task of establishing ownership is cumbersome, registration

renewal without payment is not fail-safe, and the sheer numbers of vehicles and bills and situations is as broad as the human experience and the energy of the tax evader. Thus, the techniques of demand notices, monthly reports to motor vehicle department, lien of real estate, and revocation of registration are used with limited success.

The following table is intended to summarize and organize collection techniques for the three types of property - real estate, personal property, and motor vehicles. Reference is made to the approach used in Wallingford, especially to computer generated trans-o-grams which are programmed messages and demand notices listing potential next steps to be utilized by the tax collector.

TABLE II

Collection Techniques for Real Estate, Personal Property, and Motor Vehicles

Real Estate*	Personal Property	Motor Vehicles **
Mail delinquent notice	Mail delinquent notice (late, etc.)	Mail tax collector's Demand Notice
Notice of Intention to lien real estate	Mail second notice (include collection methods; e.g., alias tax warrants, jeopardy collection, collection by suit, revocation of license or permit)	Report to M.V.D. monthly
Lien real estate via phone, indicate town requirements (payment plans, etc.) and arrange possible tax sale		Lien real estate
Send to Corporation Counsel for foreclosure	Wallingford Approach <ul style="list-style-type: none"> Mail first Trans-O-Gram (Reminder) Mail second Trans-O-Gram (Warning) File O.C.C. with State if corporation is taxpayer Put lien on real estate Send alias tax warrant to sheriff <ul style="list-style-type: none"> Garnishee wages Secure airplane Pick up/padlock personal property 	Revoke registration for bad check
*Routine arrangements (billing demand, etc.) administered during "current" year. Second fiscal year requires more specialized responses.		If paid, must include current bills to be okayed for registration.
	If paid, jeopardy collection used for next year.	**Motor vehicle collection effort tied to registration renewal schedule.

CHAPTER VI

Motor Vehicles Administration: Sixty Years of Frustration

The assessment and collection of property taxes on motor vehicles requires special consideration in this Handbook because they are so time consuming for the offices of assessor and collector. At the same time, motor vehicles property tax administration demonstrates the interdependence of both departments.

Since assessment administration involves the discovery, listing, and pricing of property, motor vehicles are a particular challenge because of their large number and kind; differences in makes, types, age, and condition; the frequency with which ownership is transferred; the mobility and destructibility of the property; the records management of the Department of Motor Vehicles; and the difficulty in establishing the residence of motor vehicle owners. These and other similar conditions have combined to make assessment of motor vehicles one of the most time-consuming tasks of assessors.

In addition, the difficulty of these tasks has been exacerbated by Connecticut's home rule traditions which have negated efforts over the years to develop state-wide policies in terms of a uniform tax rate, uniformity and limited classes of values applicable to all classes of vehicles, and state collection of the tax at the time of the registration.

Without these reforms and others, assessment difficulties are nearly insuperable, while the collection of property taxes levied on motor vehicles is even more difficult. Collection difficulties arise from several causes. The task of collectors in locating motor vehicle owners and in collecting the taxes is complicated by the mobility and destructibility of the property, the frequency with which motor vehicles are transferred, and the long interval between the date when the lists of the Motor Vehicles Department are compiled and the due date of the taxes. Perhaps one of the most important causes of collection problems has been the historical tradition of property owners registering their vehicles in low tax rate towns, or even out of state.

All of the previously mentioned situations have existed for more than sixty years. If anything, the situation is worse because of the two year registration program of the Motor Vehicle Department begun in 1981, the tremendous growth in motor vehicles of all kinds in Connecticut (over 2,500,000), the tremendous increase in their market value, and the fact that Connecticut municipalities now derive about \$260,000,000 in property taxes from motor vehicles.

Unfortunately, we cannot be optimistic about remedies since all recent attempts at modification have failed. Certainly a uniform tax rate on a statewide basis, as well as a schedule of values for broad classes of vehicles, would go a long way in achieving greater equity for the taxpayers and easing some of the administrative headaches. State collection at the time of registration still seems to be an "impossible dream."

Efforts to reform the administration of the tax on motor vehicles have failed from the time of the Temporary Commission to study Connecticut's Tax Laws in 1933 to the Motor Vehicles Property Tax Commission of 1985. Recommendations by these and other groups over the years have not succeeded in the General Assembly because they were unacceptable either to the municipalities or to the state agencies involved. Perhaps nothing will change significantly concerning the taxation of motor vehicles unless the tax is viewed by the public as an unfair, inappropriate, inequitable and frustrating way to raise revenue.

Supplemental Motor Vehicle List⁵

The supplemental motor vehicle grand list is produced according to Section 12-71b of the General Statutes of the State of Connecticut. This law provides that any person who owns a motor vehicle which is not registered on October 1 in any assessment year and which is registered subsequent to October 1 but prior to August 1, in the assessment year, shall be placed in the supplemental motor list and be subject to a property tax on the first day of January following that assessment year. The supplemental motor vehicle tax is a pro-rated tax. The listings sent to municipalities are coded by the Motor Vehicle Department to indicate the month in which the transaction was validated at MVD. The following chart outlines the coding and pro-ration factors for supplemental motor vehicle bills:

<u>Month</u>	<u>Codes</u>	<u>Pro-ration</u>
October	A & N	100.0%
November	B & O	91.7%
December	C & P	83.3%
January	D & O	75.0%
February	E & R	66.7%
March	F & S	58.3%
April	G & T	50.0%
May	H & U	41.7%
June	I & V	33.3%
July	J & W	25.0%

A through J codes indicate a registration of a vehicle on a marker plate which has been issued for the first time. N through W codes indicate a registration or marker plate which was transferred from one vehicle to another vehicle, or that the fee paid on a marker plate was credited toward a new marker plate of another class code. These Motor Vehicle Department Codes are not infallible indicators that a supplemental motor vehicle is a replacement for a vehicle owned on the previous October 1. The MVD codes merely provide a "trace" of the activity of a marker plate. Any vehicle which was owned by the person listed on October 1 or earlier should be taxed at 100% regardless of the code applied by MVD.

⁵The following section on the administration of the supplemental motor vehicle list is excerpted from the Handbook for Connecticut Assessors, 1984 ed., pp. 70-72, 74.

Replacement Vehicles

If a vehicle subject to a supplemental motor vehicle tax bill replaces a vehicle that was listed on the immediately preceding October 1 Grand List, the tax may be reduced through a credit for taxes paid for that October 1 Grand List on the replaced vehicle in proportion to the code that pertains to the tax on the supplemental motor vehicle. This credit is possible provided one of the following conditions is applicable with respect to the motor vehicle replaced: (1) the unexpired registration of the motor vehicle replaced is transferred to the replacement vehicle, (2) the motor vehicle replaced was stolen or totally damaged and proof concerning such theft or total damage is submitted to the assessor, or (3) the motor vehicle replaced is sold by such person within 45 days immediately prior to or following the date on which a person acquires the replacement vehicle. However, no such credit may be allowed if a credit has already been issued to the taxpayer for the vehicle listed on the October 1 list pursuant to Section 12-71b, c.

Where Supplemental Motor Vehicle Tax Is Paid

Any supplemental motor vehicle tax bill on which a credit is due for taxes paid on a replaced October 1 grand list vehicle, must be issued by the municipality which billed the October 1 vehicle regardless of the taxpayer's current address. This is necessary because only the municipality which received the taxes on the October 1 vehicle can give credit for taxes received. Any supplemental motor vehicle bill for a vehicle which does not replace an October list vehicle for which a credit is due, will be billed in the town in which the vehicle was last registered prior to August 1.

Series of Registrations during Supplemental List Period

Public Act 83-485 provides that whenever any vehicle subject to a supplemental motor vehicle tax is replaced by the owner prior to August 1, any such supplemental vehicle together with any such replacement vehicles shall each be taxed, but each will be taxed only for the period for which it is owned.

Motor Vehicle Credits

Section 12-71c of the General Statutes of the State of Connecticut provides for a system of credits for motor vehicles billed on either the October list or the supplemental motor vehicle list. Credits are possible if the motor vehicle is: (1) sold, (2) totally damaged, (3) stolen and not recovered, or (4) removed from this state and registered in another state by an owner who has become a resident of this other state. The credit, once established with the assessor, may be applied by the Tax Collector to any current tax in the eligible taxpayer's name or any tax owed by said taxpayer for the assessment year following the assessment year in which such vehicle was sold, totalled, stolen or removed. However, if a credit has been issued for any replaced vehicle pursuant to Section 12-71b, then no credit can be applied pursuant to Section 12-71c. Credits issued in accordance with the provisions of 12-71c are computed on the basis of the number of full months from the transaction date to the October 1 next succeeding, and are illustrated by the following chart:

<u>Transaction Month</u>	<u>Credit Factor</u>
October	91.7%
November	83.3%
December	75.0%
January	66.7%
February	58.3%
March	50.0%
April	41.7%
May	33.3%
June	25.0%
July	16.7%
August	8.3%

It should be noted that motor vehicle laws change annually. The Assessor should be constantly alert to this fact.

Primer on Audits and Auditing of Municipalities

An audit is an examination of systems, procedures, programs, and financial data. The product, or result, of an audit is a report, the most common example of which is the report rendered by an independent auditor of how appropriately an organization's financial statements depict its financial condition and results of its operations. An independent audit is one performed by persons not affiliated with the organization being audited. The relevant example here is the independent or "outside" auditor engaged to audit a municipality's financial statements.

Generally, auditors will expect the following unless other terms are stipulated:

- An organized, timely, and well-documented closing of the municipality's books, including adequate support documentation and reconciliation of accounts.

- Clerical assistance in typing requests for confirmation and obtaining documents from the files.

- Availability of key personnel to obtain an understanding of the municipality's operations and systems.

- Adequate working conditions.

In view of the fact that the tax office is a major financial center in any municipality, it will be audited. Therefore, all collectors of revenue should conduct their financial activities in such a way that they are in "substantial conformity with generally accepted accounting procedures for municipalities." Further, the auditor's report and recommendations for the tax office should be supported by the collector as ways in which the operations of the tax office can be improved. The following auditor's check list is a useful tool of self examination prior to the annual audit.

Auditor's Check List for Tax Offices

Check ()
Proper column
Yes No N.A.

[illegible]

I. A Confirmation of delinquent taxes:

1. Were confirmation requests of unpaid taxes, including taxes transferred to the suspense book in the current year, mailed?
- 2 Give date of confirmation. _____
- 3 a On what date were confirmations mailed?

Verifications of property taxes must be sent out before new tax bills are mailed. The extent of such confirmation and its results must be stated in your comments. Also indicate in your comments whether confirmations returned by the post office were remailed to better addresses obtained from sources independent of the tax office.

- b. Give date tax collector sent out tax bills on the levy due in the next fiscal year _____.
4. Was cash of tax collector counted and balanced on confirmation date?
5. Were rate books balanced at this time, simultaneously with the count and verification of cash? (It is the duty of the tax collector to balance the rate bills with the controls.)
6. Have you a list of uncollected taxes properly identified in your possession as of the end of the year under audit? If audit was begun subsequent to or prior to end of year under audit, have you a list of uncollected taxes properly identified in your possession as of the date of circularization?

B. Confirmation of delinquent assessments, such as sidewalk assessments or sewer assessments, or utility charges such as water rents and gas and electric charges, sewer service charges, etc.

1. Were confirmation requests of unpaid assessments mailed?
2. Give date of confirmation. _____
3. a. On what date were confirmations mailed?

Verifications must be sent out before new bills are mailed. The extent of such confirmation and its results must be stated in your comments. Also indicate in your comments whether confirmations returned by the post office were remailed to better addresses obtained from sources independent of the collector's office.

- b. Give dates collector sent out bills on the levies due in the fiscal year under audit.
4. Was cash of collector of assessments, etc. counted and balanced on confirmation dates?
5. Were books balanced at this time, simultaneously with the count and verifications of cash?
(It is the duty of the collector to balance the books with the controls.)
6. Do you have lists of uncollected assessments, etc. properly identified in your possession as of the end of the year under audit?
If audit was begun subsequent to or prior to end of year under audit, do you have lists of uncollected assessments etc., properly identified in your possession as of the date of circularization?

C. Cash:

1. Were cash funds counted during the course of the audit? Indicate any funds not counted and reasons therefore.

[illegible]

- D. Revenues and Receipts:
1. Was the abstract sworn to by assessors?
 2. a. Was the total assessment per the abstract reconciled with the total of the current rate book and the control account?
b. Do amounts in the report of tax collector tie in directly, or through adjustments shown in the audit, with-
 1. General Fund actual revenue from property taxes?
 2. Property taxes in the Statement of Debt Limitation?
 3. Is the rate bill for the current year signed by a majority of the selectmen or other designated authority?
If not a town, change above to proper authority.
 4. Has the collector been armed with authority to collect taxes on the current rate bill by a duly executed tax warrant? (Section 12-132) Signed by a judge of circuit court or justice of the peace? (Section 12-130)
Attached to the rate bill?
What is its date? _____
If signed by some other individual, give title of individual signing it. _____
 5. Does the collector keep a separate bank account of tax collections? (Section 12-147)
If so, give exact and full title of such account. _____
 6. Were tax collections traced, on a test basis, into the bank and control accounts?
 7. Are all collections made by the tax collector for one calendar month turned over to the treasurer by the 10th day of the next succeeding month? (Section 12-147)
 8. Does the collector give to the treasurer at least by the 10th day of each month a list showing the identification of each person, and the amount of principal and interest paid by each person since the preceding list?
(Sections 12-147 and 12-148)
(Bristol by 22 S.L. 195 and New Britain by 20 S.L. 1107 are exempted from this section 12-147 requirement.)

[illegible]

- 36

[illegible]

CHAPTER VIII

Computerization and the Tax Collection Function

The constantly decreasing cost of micro-computers and their rapid adoption by the general public and businesses of all sizes have put great pressure on municipalities "to do something" with respect to municipal computerization. In many instances the local officials bearing the responsibility of decision making in this area have little knowledge of computer technology and how it can assist in managing the community effectively.

Previously, only the larger communities could afford computer-supported information systems. Now, with technological advances and decreasing costs of computer equipment, the potential computer market has expanded and local government agencies have available

various alternatives for satisfying their information requirements, such as in-house computer systems, regional computer centers, or cooperative arrangements with other communities and service bureaus. In Connecticut, municipalities can be identified as illustrative of each of the three approaches. Therefore, any collector involved in studies of computerization should seek out information on the practical, operational experiences of colleagues throughout the state with various systems, arrangements, bureaus, etc. As can be observed in the following exhibit, the collector is likely to be only one of many users of data processing equipment, but property tax administration should be considered central to any community's efforts in this respect.

Exhibit 1

Data Processing Information Flow

Sample Inputs (by Functional Area)	Sample Outputs
Accounting	Check Issuing
Assessment	Tax Rolls
Budgeting and Management	Budget Monitoring
Clerk/Recorder	Land Use Records
Education	Class Schedules/Grading
Licensing and Code Enforcement	Property Records
Personnel	Employee Records
Planning and Zoning	Property Records
Police Protection	Uniform Crime Reports
Public Health	Health Statistics/Records
Treasury/Collection	Property Tax Bills
Utilities	Water/Utility Billing and Accounting
Voter Registration	Voter Registration Records

The collector as a significant user of data processing equipment should take an active role in evaluating alternative proposals, systems, service bureaus, etc. The experienced collector can evaluate whether various proposals and systems can deliver what they promise in the property tax

collection area and can determine from colleagues and others whether they "work." Equipment and software which don't deliver what was expected are no help to anyone, and too many communities have been "victimized" by inefficient and inappropriate computer utilization.

Alternative Approaches to Electronic Data Processing

Service Bureaus	
<i>Advantages</i>	<i>Disadvantages</i>
Municipalities can be flexible as to what they want and how long they want it.	Municipality EDP experience lacking.
Data processing resources usually superior to what municipality can operate on its own.	Needs of municipality may not always receive required priority attention.
Municipality does not have to maintain software.	Municipality does not control addition (or deletion) of capabilities to system.
Municipality does not need a data processing staff.	Municipality does not have full control of security and confidentiality of data.
In-House Computers	
<i>Advantages</i>	<i>Disadvantages</i>
Municipality controls availability and access to system.	Commitment to long term costs of personnel, equipment and facilities.
System can be tailored to individual needs.	Staff required for developing and programming applications.
Alleviates worries about outside security and confidentiality of data.	Ability to attract and pay competitive salaries for technical personnel.
	Limited ability to keep up with improvements in technology.
Regional Computer Centers or Cooperative Arrangements	
<i>Advantages</i>	<i>Disadvantages</i>
Personnel familiar with municipal operations.	Processing priority usually based upon size of community.
Tax money already supporting installation.	Management not directly responsible to individual community.
Municipality does not have to maintain software.	Municipality cannot control system availability.
Municipality does not need a data processing staff.	Municipality does not control addition (or deletion) of capabilities to system.

APPENDIX A

Tax Collector Calendar

January

- 1 2nd Installment due (real and personal property)
Motor Vehicle Supplement due
Elderly Freeze Claim (Form M-36) due to O.P.M.
- 5 Legal Notice due in newspaper
- 10 December Report to Treasurer
- 25 Legal Notice due in newspaper

Also, during this month:

Begin preparation of annual budget
request per town charter
Press release
Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

February

- 1 Last day for second installment before interest
Last day for Motor Vehicle Supplement Tax before interest
- 10 January Report to Treasurer
- 25 Motor Vehicle Delinquents Report to M.V.D.

Also, during this month:

Prepare Delinquent Real Estate and Personal Property Notices
Warning Notices for Alias Tax Warrants (Sheriff)
Prepare Alias Tax Warrants
Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

March

- 1 Send out Real Estate and Personal Property Delinquent Notices
- 10 Alias Tax Warrants to Sheriff
February Report to Treasurer

Also, during this month:

Prepare and Submit Motor Vehicle Suspense List
Annual Tax Collectors' Seminar
Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

April

- 1 Prepare Lien Notices
- 10 March Report to Treasurer

Also, during this month:

Prepare Motor Vehicle Suspense List
Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

May

- 1 Send Lien Notices (Due May 31st)
Prepare Liens for filing June 1st
- 10 April Report to Treasurer

Also, during this month:

Begin preparation of Auditor's Confirmations
Post and transfer Suspense List
Prepare Bank Escrow Lists
Flag all delinquent accounts via computer to tax bills and rate books
Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

June

- 1 File Liens - Town Clerk's Office
- 10 May Report to Treasurer
- 12 Legal Notice (1st Installment) in newspaper
- 20 Prepare and mail annual tax bills
- 25 Second Legal Notice to newspaper
- 30 Mail Total Disability Claim Report (M-42) to O.P.M. (Due July 1)

Also, during this month:

Prepare "Back Tax" statements
Prepare Tax Warrant and Rate Bill, before mailing tax bills
Update all Transfers (real estate) from last October
Update all address changes
Compute and retype all Certificates of Correction
Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

July

- 1 First Installment due
Total (100%) Disability Claim (Form
M-42) due to O.P.M.
- 5 Legal Notice due in newspaper
- 10 June Report to Treasurer
- 25 Press release; also Legal Notice in
newspaper

Also, during this month:

Prepare for audit
Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

August

- 1 Last day before penalty (interest) on
First Installment
- 10 July Report to Treasurer
- 15 Annual Report - Town
- 25 Motor Vehicle Delinquents Report to
M.V.D.

Also, during this month:

Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

September

- 1 Prepare and send out Motor Vehicle
Notices
- 10 August Report to Treasurer

Also, during this month:

Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

October

- 10 September Report to Treasurer

Also, during this month:

Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

November

- 10 October Report to Treasurer

Also, during this month:

Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

December

- 1 Prepare and mail Motor Vehicle
Supplement Tax Bills
- 10 November Report to Treasurer
- 12 Prepare legal notice re Motor Vehicle
Collection
- 15 Annual report of Municipal Property
Tax Collection (Form M-1) due to O.P.M.
- 24 Legal Notice due in newspaper five days
before collection
- 31 Absolute deadline for mailing Elderly
Freeze Claim together with
applications
(Forms M-36 and M-36R) to O.P.M.

Also, during this month:

Motor Vehicle "Take Offs" to M.V.D.
Pull Liens

Regulations Concerning the Certification of Tax Collectors

Sec. 1. Certification

(a) Competence in tax collection administration in the State of Connecticut shall be evidenced by a Connecticut Certified Municipal Collector (C.C.M.C.) designation. Such designation shall be awarded by the Secretary of the Office of Policy and Management to candidates who are recommended by the Certified Connecticut Municipal Collector Committee (here after referred to as the Committee). No candidate shall be recommended by the Committee for the C.C.M.C. designation, unless he/she has passed the comprehensive examination as described in Section 5 of these regulations.

4. Any future courses as may be prescribed by the Committee.

(b) Candidates must pass an examination in each course.

(c) Candidates failing a C.C.M.C. course examination will be eligible to retake the examination one (1) time, without repeating the course.

(2) Alternate Method:

(a) Candidates may apply to the Secretary of the Office of Policy and Management for a waiver of any course other than C.C.M.C. 1. No more than one (1) waiver shall be granted to any candidate.

(b) A waiver may be granted by the Secretary of the Office of Policy and Management, provided the candidate shows evidence of successful completion of an equivalent course(s), and the candidate has a minimum of five (5) years experience in the municipal tax collection field.

Sec. 2 Eligibility Standards for Candidates

(a) Candidates may satisfy the eligibility requirements for taking the comprehensive examination for C.C.M.C. designation, by either of the following methods:

(1) Regular Method:

(a) Candidates must successfully complete the prescribed training program consisting of the following courses:

1. C.C.M.C. I - Introduction to Connecticut Tax Collection Administration and Law
2. C.C.M.C. II - Municipal Finance Administration and Management
3. C.C.M.C. III - Connecticut Government, Supervision and Public Relations

Sec. 3. Course Registration

(a) Course schedules and registration fees will be determined by the Committee. Fees are subject to review by the Committee and may be increased or decreased to reflect costs incurred, enrollment levels, subsidies, etc.

(b) The Committee may cancel courses due to insufficient enrollment.

(c) No candidate shall be eligible to attend class sessions or take a course examination, unless the registration fee is paid on or before the second class session.

(d) No candidate may register for more than two courses at one time.

Sec. 4. Application Procedures for Comprehensive Examination

- (a) The comprehensive examination for designation as a C.C.M.C. will be conducted annually. The comprehensive examination will be scheduled by the Committee, which shall determine its time and location.
- (b) Written application for the comprehensive examination will be approved by the Committee for any person meeting the eligibility standards under the Regular or Alternate Methods as described in Section 2.
- (c) The deadline for submitting written application to take the comprehensive examination shall be three (3) weeks before the scheduled examination date.
- (d) Applications may be obtained from the Secretary of the Office of Policy and Management, 80 Washington Street, Hartford, CT 06106.

Sec. 5. Comprehensive Examination

- (a) An eligible candidate having qualified under the Regular Method as described in Section 2(a) (1) of these regulations, who fails the comprehensive examination will be eligible to retake the comprehensive examination one (1) time.
- (b) A candidate having qualified to retake the comprehensive examination in accordance with subsection (a) of this section, who subsequently fails the comprehensive examination must requalify in accordance with Section 2(a) (1) of these regulations, or may submit a complete and detailed resume of his/her municipal tax collection experience to the Committee for its consideration. The Committee shall review each such

resume and may recommend that the Secretary waive not more than two (2) of the required courses.

- (c) An eligible candidate having qualified under the Alternate Method as described in Section 2(a) (2) of these regulations, who fails the comprehensive examination, must requalify in accordance with Section 2(a) (1) of these regulations, in order to become eligible to retake the comprehensive examination.
- (d) No candidate shall be eligible to take more than one (1) examination on the same day.

APPENDIX C

Tax Sale Procedure

by Audrey M. Bray, C.C.M.C.
Tax Collector, Town of Coventry

Tax Sale

Sections 12-155 through 159 of the General Statutes of the State of Connecticut pertain to sale of property for taxes.

Prior to selecting the tax sale method of collecting monies due the municipality for taxes, various steps are taken. Rebillings, phone calls and finally a Tax Collector's Demand.

The Tax Collector's Demand is mailed to the delinquent by certified mail, return receipt requested (the Statute does not require certified mail, but I recommend it). The demand consists of assessment date, due date, amount of tax due, interest, the date the demand must be complied with and where it must be complied with.

Specifications for Tax Sale

Prepare the NOTICE OF SALE FOR TAXES. The Notice contains the name of the taxpayer, amount of tax, and description of the property levied upon as well as the place and time of sale. This is to be done in duplicate. One copy is posted on the signpost nearest the property and the other is filed with the Town Clerk for recording. The Town Clerk is directed under the law (Sec. 12-157) to record and index such notice as part of the land records of the Town.

The filing with the Town Clerk and the posting on the signpost of the Notice cannot be more than ten nor less than nine weeks before the sale and constitutes a legal levy of the collector's warrant upon the real estate.

A similar notice must be published at least once a week for three successive weeks in a newspaper published in the Town; if none is published in Town, then a paper having a general circulation in the Town. This is done not more than ten nor less than nine weeks before the sale. The first advertising is usually done on the same date the Notice is filed with the Town Clerk and posted on a signpost.

The collector must also mail to the delinquent taxpayer and to each mortgagee, lien holder and other record encumbrancer whose interest in the property is affected a similar notice. (I send a copy of NOTICE OF SALE OF LAND FOR TAXES that I previously filed with the Town Clerk.) This is done at least four weeks prior to the sale.

The sale may be adjourned but public notice of such adjournment of sale must be given containing the date, time, and place of adjournment.

At the time and place mentioned in such notice the collector may:

- (1) sell at public auction enough of such real estate to pay the taxes with all interest, fees and other charges allowed by law, or
- (2) sell such real estate to his municipality if there has been no bidder or the amount of bid is insufficient to pay the amount due.

Within one week after the sale the collector must execute a deed of the property to the purchaser or to the municipality as the case may be, and it is lodged in the office of the Town Clerk where it is to remain unrecorded for one year from the date of the sale; and if the delinquent or any person interested in the property within such time pays or tenders to the purchaser or to the municipality, as the case may be, the amount paid by him, with interest from the date of the sale, such deed shall be delivered to the person paying or tendering the money, who, if not the person whose primary duty it was to pay the tax, shall have a claim against the person whose primary duty it was, for the amount so paid, and may add this claim to any other claim for which he has security upon the premises sold.

Section 12-158 sets forth the form of the collector's deed. If the purchase money and interest are not paid within the year of redemption, the deed shall be recorded and have full effect.

An individual folder should be maintained for each parcel of land. The folder contains a worksheet, since the form is prepared for back tax billing; a copy of the Tax Collector's Deed; the receipt for certified mailing of the Tax Collector's Deed; the actual letter sent certified if it was refused or undeliverable; a copy of the NOTICE OF SALE OF LAND FOR TAXES; copy of deed; sketch of property with abutting neighbors' names; legal notice of sale of land for taxes as appeared in the newspaper. A copy of the Notice is attached to the front of the folder and has the minimum bid listed at the top. This is particularly helpful if you have a large number of items for sale. Also noted on the notice is the purchaser or municipality if no bid is sufficient, and the amount paid if sold.

A listing of all property to be sold is given to the Town Attorney for title search. This list contains volume and page. A copy of each deed and a copy of each property card is included in the materials sent to the Town Attorney. The attorney may produce an individual encumbrancer listing for each property, or may make one list encompassing all properties. An individual listing is easier since it can be dropped into the individual's folder readily.

On the NOTICE OF SALE OF LAND FOR TAXES, below the description, I add "property not guaranteed buildable under current zoning regulations"; also, taxes due on the next grand list will be due, and may be subject to restrictions and covenants as of record appear.

Although not necessary, I notify abutting owners since most of the properties I sell are not buildable under our zoning regulations.

A listing of all properties, map, block, lot, street, development, size, and minimum bid is compiled for distribution to interested persons.

A minimum bid consisting of tax, interest, liens, costs, legal advertising and attorney's fees is established.

At the actual sale, the attorney reads the Statutes pertinent to the Tax Sale and answers any questions. He also announces that a minimum bid will be specified on each property and nothing less than the minimum will be accepted. If there is only one bidder, they are not encouraged to bid over the minimum since they usually bid a small amount over (as little as one cent) and there is too much paper work involved.

The minimum bid is announced on property number one and the bidding begins. I collect all monies on the spot. A book of receipts containing the sale number, minimum bid acceptable, and owner of record is prepared beforehand, and the purchaser and amount paid are noted.

The deeds which are to be executed within one week from the sale are produced by the Town Attorney. Thus, immediately after the sale a list of properties with corresponding purchasers and sale prices is given to the attorney to add to the deeds he has ready and waiting.

The deeds are lodged with the Town Clerk within a week of the sale. They are held unrecorded for a year, during which the record owner or interested party has the right to redeem. The deeds are recorded at the end of the one year waiting period on all properties not redeemed.

APPENDIX D

Job Descriptions for Elected Tax Collector and Appointed Collector of Revenue; Tax Collectors Association Letter with Respect to Job Descriptions and Certification

These appended materials dealing with job descriptions are intended to assist in understanding the duties and responsibilities of the respective positions. Additionally, they can be used as samples of what good job descriptions entail. Further, these materials should be helpful to communities considering the conversion of an elected tax collector to an appointed collector of revenue or the expansion of the activities of the office.

The letter from former President Donald E. Holley of the Tax Collectors Association of Connecticut is a good explanation of the need for properly trained personnel and the utility of including certification (Certified Connecticut Municipal Collector) in the job descriptions of Tax Collector and Collector of Revenue.

Job Description Tax Collector, Town of Old Saybrook

Position Definition

Directs and administers the statutory and ordinance responsibilities of the office including the planning, organizing, and supervision of the billing and collection of real, motor vehicle, and personal property taxes.

General Duties

Plans, organizes and directs work according to statutory authority, and in accordance with an established collection cycle and town ordinances. Organizes and supervises the preparation and processing of annual property tax statements. Assigns work to an assistant and clerical staff in receiving, reconciling, and depositing tax collections and charges on a daily basis. Oversees the preparation and updating of rate books. Implements collection procedures for delinquent taxpayers. Meets and confers with tardy taxpayers to arrange payment plans. Initiates enforcement procedures against delinquent non-payers. Organizes and

conducts real estate tax sale auctions. Confers with Town Attorney on collection and delinquent matters. Processes daily deposit and reconciliation reports. Regularly reviews collection policies and procedures to insure operating efficiency. Analyzes billing and collection data applications for system upgrading. Coordinates with Assessor the recording of new or amended property information. Reconciles Rate Book monthly and with Assessor's Abstract annually. Prepares suspense lists for Board of Finance action. Prepares and submits to State Motor Vehicle Department lists of delinquent motor vehicle taxpayers. Recommends operating budget for office. Prepares narrative and statistical reports for the First Selectman, the Treasurer, the external auditor, the State Department of Policy and Management and the U.S. Department of Commerce.

Additional Duties

Participates in short-term and long-range financial planning for town. Coordinates activities with Board of Tax Review. Works closely with data processing contractor and external auditors. Organizes, maintains, and updates filing system for the retention of required information and records. Provides information to attorneys, banking officials, and the general public regarding tax policies and procedures. Prepares information news releases and speaks to public or private groups regarding town tax information.

Supervision by

Elected position. Duties and responsibilities are prescribed by State Statute, Town Charter and Town Ordinances. Receives functional direction from the First Selectman.

Qualifications Profile*

Elector of Town. The skills and knowledge required would generally be acquired with a

*Elected position. Qualifications are advisory.

bachelor's degree in Accounting, Business Administration or a closely related financial field, and two years of increasingly responsible experience in collection, accounting, bookkeeping or related financial work. Knowledge of accounting and bookkeeping principles and practices. Knowledge of office management procedures. Knowledge of laws and ordinances governing the town's tax collection system. Knowledge of the application of data processing techniques to tax collection methods. Ability to prepare and interpret complex statistical and financial reports. Ability to deal effectively with staff, other agencies, and the general public.

License or Certification

Certification as Connecticut Municipal Tax Collector desirable. Eligible for required bonding.

Job Description Revenue Collector (Appointed) - Town of Mansfield

General Statement of Duties

Administers the Town's revenue collection program; does related work as required.

Distinguishing Features of the Class

An employee in this class performs supervisory work in the administration of the municipal revenue collection program. The employee is charged by law with the collection of current and delinquent taxes. The Revenue Collector must interpret tax laws and regulations, and be thoroughly familiar with such laws as applicable to Town government. The work requires the exercise of independent judgment in such interpretation, and the use of considerable tact and diplomacy in public contact situations. The work is performed under general supervision of the Finance Director, in accordance with established policies and procedures and statutory regulations. Supervision is exercised over a clerical staff.

Examples of Work (Illustrative only)

Supervises the Town's revenue collection program;

Plans, supervises and organizes work for staff members in making a variety of collections;

Instructs subordinates on new laws or changes relating to processing and collection procedures as well as tax billing and collection procedures;

Supervises the billing of real and personal property taxes, sewer assessments, sewer user fees, and any other assessment set by the Town;

Supervises the collection of parking violations issued by the Town and the University of Connecticut;

Figures interest on property taxes, liens, and abatement refunds;

Records and reconciles revenue by category and account daily;

Prepares statistical reports of number of accounts handled and monies collected;

Supervises the collection of delinquent taxes;

Prepares an operating budget for Revenue Office annually;

Interacts with the public concerning complaints and other matters requiring explanations or interpretations;

Confers with the Finance Director on matters concerning changes in policy and ordinances;

Directs and takes part in actions connected with delinquent taxes such as warrants, foreclosures, or sales of property;

Directs and takes part in preparation of fiscal reports for the State, Town, and auditors.

Required Knowledge, Skills, and Abilities

Thorough knowledge of legal requirements relating to taxes and other revenue; good knowledge of bookkeeping and modern office practices; good knowledge of general functions of related departments of Town government; ability to supervise the collection and accounting of large sums of money; some knowledge of data input hardware and ability to interpret, reconcile, and validate computer reports; ability to deal with the public; ability to establish and maintain effective working relationships with other employees; ability to plan and supervise the work of others.

Acceptable Experience and Training

Completion of a standard high school course supplemented by college level course work in accounting and business administration, preferably graduation from a recognized college or university; extensive experience involving volume collection activity, including considerable experience in a supervisory capacity; or any equivalent combination of experience and training which provides the required knowledge, skills, and abilities.

Tax Collectors' Association OF CONNECTICUT

As you recently requested, enclosed are copies of job descriptions for the position of Tax Collector and Collector of Revenue that have been accumulated from various sized Towns and Cities over the past few years. We in the Tax Collectors' Association of Connecticut are pleased to share such data in the effort to promote professionalism in our field.

In particular, it is the recommendation of this association and the State of Connecticut - Office of Policy and Management - that all job descriptions for this critical position include the requirement that applicants be "Certified Connecticut Municipal Collectors."

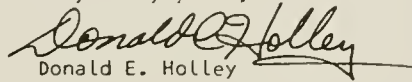
The C.C.M.C. designation assures that the applicant has mastered the intricacies of the statutory procedures, methods and processes of tax collecting as well as understanding the interrelationship between the State and local Governments and municipal financial operations. Such professional (State) certification can only enhance a Town's revenue program and, correspondingly, lack of a certified Tax Collector would probably work to its disadvantage.

Somehow we must get away from the concept that "anyone can collect the taxes." This may have been true at one time in our State's history but the increasing complexity of the tax laws and the degree of difficulty encountered in this work make such thinking anachronistic and decidedly dangerous to the fiscal well being of any community.

The Tax Collectors' Association of Connecticut strongly urges you to incorporate certification into your job description for the position of Tax Collector or Collector of Revenue.

Please feel free to call upon me if I can be of any further help.

Very truly yours,


Donald E. Holley
President

APPENDIX E

Official Mandatory Forms, State of Connecticut

The following list of official, mandatory forms required and provided by the Office of Policy and Management is included here for reference only. All municipal collectors should have them in their offices. They are:

- M-1 Annual Report of Municipal Tax Collections

- M-2 Report of the Property Tax Collector (Fiscal Year)
 - Schedule 1 - Lawful Corrections
 - Schedule 2 - Abatement of Property Taxes
 - Schedule 3 - Transfers to Suspense Tax Book

- M-25 Connecticut Local Official Bond for Tax Collectors

- M-36 Tax Collector's Claim for Reimbursement of Revenue Loss (Elderly Freeze)

- M-42B Tax Collector's Claim for Reimbursement of Revenue Loss (Totally Disabled)

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INSTITUTE OF PUBLIC SERVICE

Established in 1944, as an educational service agency of the University of Connecticut, the Institute of Public Service provides training, information and research facilities to Connecticut state and local government officials. The Institute also assists Connecticut citizens who desire to be better informed about Connecticut state and local government. The Institute works cooperatively with other departments and schools of The University, with other educational institutions, with professional associations of public officials, with municipalities and agencies of the state government, and with citizen groups toward the objective of improved public service in Connecticut.

In addition to its concern for public service in Connecticut, since 1961, the Institute has been involved in improving public service in developing nations. Through relationships with overseas universities, institutes of public administration and training centers, administrators from developing countries in Africa, Asia, and Latin America are trained in Connecticut and Institute faculty undertake overseas assignments in these countries.

Office of Public Service
and Applied Research



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